

RECEIVED
 07 JAN 11 11:10:35

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE

Annual Audit Report

FARMERVILLE, LOUISIANA
 SEPTEMBER 30, 2001

Jean Sickels

Certified Public Accountant

**870 Cinderella Court
 Decatur, GA 30033
 (404)297-9881**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

**R.R. # 1 BOX 187
 Larwill, IN 46764
 (219)327-3475**

Release Date JAN 23 2002

HOUSING AUTHORITY
OF THE CITY OF FARMERVILLE

Farmerville, Louisiana
September 30, 2001

TABLE OF CONTENTS

Independent Auditor's Report	<u>Page</u> 1
 <u>FINANCIAL STATEMENTS</u>	
Balance Sheet	2
Statement of Income, Expenses and Changes in Retained Earnings	3
Statement of Cash Flows	4
Notes to Financial Statements	5
 <u>SUPPLEMENTAL FINANCIAL INFORMATION</u>	
Combing Balance Sheet	11
Combing Statement of Income, Expenses and Changes in Retained Earnings	12
Financial Data Schedule	13
Schedule of Findings and Questioned Costs	18
Schedule of Expenditures of Federal Awards	19
Report on Compliance and On Internal Control over Financial Reporting based on an audit of Financial Statements Performed In accordance with Government Auditing Standards	20

Jean Sickels

Certified Public Accountant

**870 Cinderella Court
Decatur, GA 30033-5812**

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the
City of Farmerville
P.O. Box 446
Farmerville, Louisiana 71241

HUD - New Orleans Office
Public Housing Division
Hale Boggs Federal Building
501 Magazine Street
New Orleans, Louisiana 70130-3099

I have audited the accompanying financial statements of the Housing Authority of the City of Farmerville, as of and for the year ended September 30, 2001 as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Farmerville as of September 30, 2001 and the results of its income, expenses and changes in retained earnings and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with **Government Auditing Standards**, I have also issued my report dated December 7, 2001 on my consideration of the Housing Authority of the City of Farmerville's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. The reports on compliance with laws and regulations and internal control over financial reporting are in integral part of a Governmental Auditing Standards audit, and, in considering the results of the audit, these reports should be read along with the auditor's report on the financial statements.

My audit was made for the purpose of forming an opinion on the financial statements of the Housing Authority of the City of Farmerville, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**, and is not a required part of the financial statements. The accompanying Financial Data Schedule is presented for the purpose of additional analysis and is not a part of the basic financial statements. The accompanying supplemental information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the financial statements, and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Jean Sickels
Certified Public Accountant

Decatur, Georgia
December 7, 2001

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

BALANCE SHEET
SEPTEMBER 30, 2001

ASSETS	
Current Assets	
Cash	\$ 62,450
Accounts receivable	5,837
Prepaid expenses	5,498
Current Assets	73,785
Property and Equipment	
Land, structure and equipment	184,323
Property and Equipment	184,323
TOTAL ASSETS	\$ 258,108
LIABILITIES AND EQUITY	
Current liabilities	
Accounts payable	\$ 9,785
Accrued liabilities	6,539
Current liabilities	16,324
Equity	
Retained earnings	155,340
Contributed capital	86,444
Total equity	241,784
TOTAL LIABILITIES AND EQUITY	\$ 258,108

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

STATEMENT OF INCOME, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

OPERATING REVENUES

Total rental income	\$ 72,496
Other income	0

TOTAL OPERATING REVENUE	72,496
-------------------------	--------

OPERATING EXPENSES

Administrative	29,472
Utilities	1,000
Ordinary maintenance and operation	36,928
General expense	15,456
Extraordinary maintenance	2,512
Depreciation expense	20,668

TOTAL EXPENSES	106,036
----------------	---------

NONOPERATING INCOME (EXPENSES)

Intergovernmental	117,553
Interest income	2,582

TOTAL NONOPERATING REVENUES (EXPENSES)	120,135
--	---------

NET INCOME (LOSS)	86,595
-------------------	--------

RETAINED EARNINGS

OCTOBER 1, 2000	44,870
-----------------	--------

Prior period adjustments	23,875
--------------------------	--------

RETAINED EARNINGS

SEPTEMBER 30, 2001	\$ 155,340
--------------------	------------

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2001

Cash Flows from Operating Activities

Net income	\$ 86,595
Adjustments to reconcile net income to net cash Provided by operating activities:	
Prior period adjustments	(31,214)
Depreciation	20,668
(Increase) Decrease in:	
Accounts receivable	8,801
Prepaid expenses	(843)
Inventory	3,503
Increase (Decrease) in:	
Accounts payable	3,765
Accrued liabilities	(5,407)
Net Cash Flows Provided (Used) by Operating Activities	85,868

Cash Flows from Investing Activities

Purchase of fixed assets	(63,458)
Net Cash Flows Provided (Used) by Investing Activities	(63,458)

Net Increase (Decrease) in Cash	22,410
------------------------------------	--------

Beginning Cash and Cash Equivalents	40,040
--	--------

Ending Cash and Cash Equivalents	\$ 62,450
-------------------------------------	-----------

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001

NOTE A - Summary of Significant Accounting Policies:

The HOUSING AUTHORITY OF THE CITY OF FARMERVILLE ("The Authority") is a political subdivision both corporate and politic and was established under the provision of Louisiana Statutes, to provide adequate housing at rents which persons of low-income can afford in areas where there exists a shortage. To accomplish this purpose, the Authority has entered into an annual contributions contract with the U.S. Department of Housing and Urban Development (HUD) to be the Administrator of a public housing program (Contract No. FW-1218).

Reporting Entity

The entity is a public corporation, legally separate, fiscally independent and governed by the Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of the Housing Authority of the City of Farmerville, a primary government. There are no component units to be included herewith, but this report does include all funds, account groups and programs which are controlled by the entity's governing body.

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE

The financial statements of the HOUSING AUTHORITY OF THE CITY OF FARMERVILLE include the following:

Management:

Low-Income Public Housing

Units

40

The authority is also administering a Comprehensive Improvement Grants and Capital Fund Grant.

Basis of Presentation

The accounting policies of the Authority conform to generally accepted accounting principles as applicable to governments. Pursuant to the election option made available by GASB Statement No. 20 pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 are applied in the preparation of the financial statements. The following is a summary of the more significant policies:

Accounting Policies - The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Proprietary funds:

Proprietary funds are used to account for the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Authority applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund type:

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2001

(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred, and / or net income is necessary for management accountability.

Basis of accounting - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared using the accrual basis of accounting for all Governmental Funds. Accordingly, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets - Budgets are adopted on the basis of accounting consistent with the basis of accounting for the fund to which it applies. The Authority prepares annual operating budgets for the Low Income Public Housing program. The budgets are formally adopted by its governing Board and are approved by the funding agency. The budgets for the programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

Budget compared to actual presentation has been omitted because the authority does not annually adopt a legally authorized budget. The authority's budget is adopted by the authority's board and approved by HUD. This budget does not represent an appropriated budget that has been signed into law or a nonappropriated budget authorized by constitution. The authority's budget represents budgetary execution and management by it's board and HUD, therefore, budgetary data and presentation is not required.

Cash Deposits and Cash Equivalents - Cash Deposits and Cash Equivalents consist of Certificates of Deposit and are stated at fair value. Cash deposits and cash equivalents are fully collateralized or vested in securities of the United States Government and are identified specifically in the name of the Authority. All cash deposits and cash equivalents are classified as category 1 cash deposits and cash equivalents. Category 1 cash deposits and cash equivalents are insured or registered or are securities that are held by the government or it's agent in the government name.

For the purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. There were no noncash investing, capital and financing activities during the year.

Tenant Receivables - Receivables for rentals and service charges are reported in the General Fund at net of an allowance for doubtful accounts. The Housing Authority Board takes monthly action as required to write off specific uncollectible accounts receivable balances.

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2001

(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Fixed assets - Fixed assets purchased are recorded capitalized at the time of purchase. Such assets are recorded at cost. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs.

Depreciation of property and equipment is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

<u>Class</u>	<u>Life</u>
Building	40 years
Leasehold improvements	15 years
Furniture & Fixtures	7 years
Maintenance equipment	5 years

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - Accounts Receivable:

Accounts receivable at September 30, 2001 consist of the following:

Tenants accounts receivable - net of allowance of \$2,773	\$ 386
Accounts receivable miscellaneous	179
Accounts receivable HUD	5,266
Accrued interest receivable	<u>6</u>
Total	<u>\$ 5,837</u>

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001
(Continued)

NOTE C - Cash Deposits and Cash Equivalents

The Authority's cash deposits and cash equivalents include deposits with financial institutions. The carrying amount of the Authority's deposits was \$62,450 and the bank balance was \$65,355. The bank balance is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by third party custodians in Authority's name	\$ 65,355
Amount collateralized with securities held by the Pledging financial institution's trust department in the Authority's name	<u>0</u>
Total bank balance	<u>\$ 65,355</u>

Cash deposits and cash equivalents made by the Authority are summarized below. The cash deposits and cash equivalents that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1 - Insured or registered, or security's held by the Authority or its agent in the Authority's name
- Category 2 - Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Authority's name.
- Category 3 - Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the Authority's name.

Cash, Deposits and Investments at September 30, 2001 consist of the following:

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
Certificates of Deposit	\$ 32,578	\$ 0	\$ 0	\$ 32,578	\$ 32,584
Checking	<u>29,872</u>	<u>0</u>	<u>0</u>	<u>29,872</u>	<u>29,872</u>
	<u>\$ 62,450</u>	<u>\$ 0</u>	<u>\$ 0</u>	62,450	62,456
Investment in state investment pool				0	0
Total cash deposits and cash equivalents				<u>\$ 62,450</u>	<u>\$ 62,456</u>

Restricted assets include tenant security deposits.

NOTE D - Prepaid Expenses:

Prepaid expenses at September 30, 2001 consist of the following:

Prepaid insurance	<u>\$ 5,498</u>
-------------------	-----------------

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001
(Continued)

NOTE F - Fixed Assets:

A summary of changes in fixed assets is as follows:

	Balance September 30, 2000	Reclassifi- cations	Additions	Balance September 30, 2001
Land	\$ 6,430	\$ 0	\$ 0	\$ 6,430
Building	784,895	0	101,876	886,771
Equipment	45,077	0	8,676	53,753
Leasehold Improvements	92,125	0	601	92,726
Construction in Progress	15,714	(15,714)	0	0
Accumulated Depreciation	<u>(823,376)</u>	<u>(11,313)</u>	<u>(20,668)</u>	<u>(855,357)</u>
	<u>\$ 120,865</u>	<u>\$ (27,027)</u>	<u>\$ 90,485</u>	<u>\$ 184,323</u>

Major construction renovation through the Modernization Grant Program costs of \$15,921 are yet to be expended under the current programs. HUD has approved funding for the above amount.

Current period depreciation expense is \$20,668.

NOTE F - Accounts payable:

Accounts payable at September 30, 2001, consist of the following:

Vendors and contractors	\$ 7,080
Security deposits	<u>2,705</u>
	<u>\$ 9,785</u>

NOTE G - Accrued liabilities:

Accrued liabilities at September 30, 2001, consist of the following:

Payment in lieu of taxes	<u>\$ 6,539</u>
--------------------------	-----------------

NOTE H - Annual Contributions by Federal Agencies:

Annual Contributions Contract FW-1218- Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. Operating subsidy contributions for the Low-Income Public Housing Program were as follows:

For the year ended September 30, 2001	<u>\$ 15,963</u>
---------------------------------------	------------------

NOTE I - Contingencies:

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no examinations for the year ended September 30, 2001. Areas of noncompliance, if any, as a result of examinations would be included as a part of the "Findings and Questioned Costs" section of this report.

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001
(Continued)

NOTE J - Risk Management:

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by Authority management.

NOTE K - Conduit Type Debt:

Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by the United States Department of HUD. There is no debt or pledge of faith and credit on the part of the Authority. Accordingly, this debt has not been recorded in the financial statements of the Housing Authority of the City of Farmerville.

HUD no longer provides the Authority with debt service information since the Authority has no obligation for the debt.

NOTE L - Economic Dependency:

The Authority receives approximately 54% of its revenues from the U.S. Department of Housing and Urban Development (HUD). If the amount of revenues received from HUD falls below critical levels, the Authority's operating reserves could be adversely affected.

NOTE M - Prior Period Adjustments:

Prior period adjustments consist of entries made throughout the year into HUD chart of accounts number 6010 (Prior period adjustments affecting residual receipts) and 6020 (Prior period adjustments not affecting residual receipts).

SUPPLEMENTAL FINANCIAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

COMBINING BALANCE SHEET
SEPTEMBER 30, 2001

		ACC
	Low-Income Public Housing	Comprehensive Improvement Assistance Program
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash	\$ 62,450	\$ 0
Accounts receivable	5,837	0
Prepaid expenses	5,498	0
	<u>73,785</u>	<u>0</u>
Current Assets		
	<u>73,785</u>	<u>0</u>
<u>Property and Equipment</u>		
Land, structure and equipment	71,491	48,074
	<u>71,491</u>	<u>48,074</u>
Property and Equipment		
	<u>71,491</u>	<u>48,074</u>
TOTAL ASSETS	\$ <u>145,276</u>	\$ <u>48,074</u>
<u>LIABILITIES AND EQUITY</u>		
<u>Current liabilities</u>		
Accounts payable	\$ 9,785	\$ 0
Accrued liabilities	6,539	0
	<u>16,324</u>	<u>0</u>
Current liabilities		
	<u>16,324</u>	<u>0</u>
<u>Equity</u>		
Retained earnings	57,461	33,121
Contributed capital	71,491	14,953
	<u>128,952</u>	<u>48,074</u>
Total equity		
	<u>128,952</u>	<u>48,074</u>
TOTAL LIABILITIES AND EQUITY	\$ <u>145,276</u>	\$ <u>48,074</u>

FW-1218

Capital Fund Program	Total
\$ 0	\$ 62,450
0	5,837
0	5,498
0	73,785
64,758	184,323
64,758	184,323
\$ 64,758	\$ 258,108
\$ 0	\$ 9,785
0	6,539
0	16,324
64,758	155,340
0	86,444
64,758	241,784
\$ 64,758	\$ 258,108

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

COMBINING STATEMENT OF INCOME, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

		ACC
	Low-Income Public Housing	Comprehensive Improvement Assistance Program
<u>OPERATING REVENUES</u>		
Total rental income	\$ 72,496	\$ 0
Other income	0	0
 TOTAL OPERATING REVENUE	 72,496	 0
 <u>OPERATING EXPENSES</u>		
Administrative	26,854	2,118
Utilities	1,000	0
Ordinary maintenance and operation	36,928	0
General expense	15,456	0
Extraordinary maintenance	2,512	0
Depreciation expense	19,228	707
 TOTAL EXPENSES	 101,978	 2,825
 <u>NONOPERATING INCOME (EXPENSES)</u>		
Intergovernmental	15,963	35,599
Interest income	2,582	0
 TOTAL NONOPERATING REVENUES (EXPENSES)	 18,545	 35,599
 NET INCOME (LOSS)	 (10,937)	 32,774
 RETAINED EARNINGS		
OCTOBER 1, 2000	44,870	0
 Prior period adjustments	 23,528	 347
 RETAINED EARNINGS		
SEPTEMBER 30, 2001	\$ 57,461	\$ 33,121

FW-1218

Capital Fund Program	Total
\$ 0	\$ 72,496
0	0
0	72,496
500	29,472
0	1,000
0	36,928
0	15,456
0	2,512
733	20,668
1,233	106,036
65,991	117,553
0	2,582
65,991	120,135
64,758	86,595
0	44,870
0	23,875
\$ 64,758	\$ 155,340

PHA: LA052 FYED: 09/30/2001

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Improvement Assistance Program	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$59,745	\$0	\$0	\$59,745
114	Cash - Tenant Security Deposits	\$2,705	\$0	\$0	\$2,705
100	Total Cash	\$62,450	\$0	\$0	\$62,450
122	Accounts Receivable - HUD Other Projects	\$5,266	\$0	\$0	\$5,266
125	Accounts Receivable - Miscellaneous	\$179	\$0	\$0	\$179
126	Accounts Receivable - Tenants - Dwelling Rents	\$3,159	\$0	\$0	\$3,159
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$-2,773	\$0	\$0	\$-2,773
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$6	\$0	\$0	\$6
120	Total Receivables, net of allowances for doubtful accounts	\$5,837	\$0	\$0	\$5,837
142	Prepaid Expenses and Other Assets	\$5,498	\$0	\$0	\$5,498
150	Total Current Assets	\$73,785	\$0	\$0	\$73,785
161	Land	\$6,430	\$0	\$0	\$6,430
162	Buildings	\$784,895	\$40,875	\$61,001	\$886,771
163	Furniture, Equipment & Machinery - Dwellings	\$16,107	\$6,820	\$2,895	\$25,822
164	Furniture, Equipment & Machinery - Administration	\$25,437	\$899	\$1,595	\$27,931
165	Leasehold Improvements	\$92,125	\$601	\$0	\$92,726
166	Accumulated Depreciation	\$-853,503	\$-1,121	\$-733	\$-855,357
160	Total Fixed Assets, Net of Accumulated Depreciation	\$71,491	\$48,074	\$64,758	\$184,323
180	Total Non-Current Assets	\$71,491	\$48,074	\$64,758	\$184,323
190	Total Assets	\$145,276	\$48,074	\$64,758	\$258,108

PHA: LA052 FYED: 09/30/2001

Line Item No.	Account Description	Low Rent Public Housing	Public Housing_ Comprehensive Improvement Assistance Program	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$7,080	\$0	\$0	\$7,080
333	Accounts Payable - Other Government	\$6,539	\$0	\$0	\$6,539
341	Tenant Security Deposits	\$2,705	\$0	\$0	\$2,705
310	Total Current Liabilities	\$16,324	\$0	\$0	\$16,324
350	Total Noncurrent Liabilities	\$0	\$0	\$0	\$0
300	Total Liabilities	\$16,324	\$0	\$0	\$16,324
504	Net HUD PHA Contributions	\$71,491	\$14,953	\$0	\$86,444
508	Total Contributed Capital	\$71,491	\$14,953	\$0	\$86,444
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$57,461	\$33,121	\$64,758	\$155,340
513	Total Equity/Net Assets	\$128,952	\$48,074	\$64,758	\$241,784
600	Total Liabilities and Equity/Net Assets	\$145,276	\$48,074	\$64,758	\$258,108

PHA: LA052 FYED: 09/30/2001

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Improvement Assistance Program	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue	\$67,164	\$0	\$0	\$67,164
704	Tenant Revenue - Other	\$5,332	\$0	\$0	\$5,332
705	Total Tenant Revenue	\$72,496	\$0	\$0	\$72,496
706	HUD PHA Operating Grants	\$15,963	\$35,599	\$65,991	\$117,553
711	Investment Income - Unrestricted	\$2,582	\$0	\$0	\$2,582
700	Total Revenue	\$91,041	\$35,599	\$65,991	\$192,631

PHA: LA052 FYED: 09/30/2001

Line Item No.	Account Description	Low Rent Public Housing	Public Housing_ Comprehensive Improvement Assistance Program	Public Housing Capital Fund Program	Total
912	Auditing Fees	\$961	\$0	\$0	\$961
913	Outside Management Fees	\$17,852	\$0	\$0	\$17,852
915	Other Operating - Administrative	\$8,041	\$2,118	\$500	\$10,659
931	Water	\$83	\$0	\$0	\$83
932	Electricity	\$447	\$0	\$0	\$447
933	Gas	\$451	\$0	\$0	\$451
938	Other Utilities Expense	\$19	\$0	\$0	\$19
942	Ordinary Maintenance and Operations - Materials and Other	\$8,349	\$0	\$0	\$8,349
943	Ordinary Maintenance and Operations - Contract Costs	\$28,579	\$0	\$0	\$28,579
961	Insurance Premiums	\$8,917	\$0	\$0	\$8,917
963	Payments in Lieu of Taxes	\$6,539	\$0	\$0	\$6,539
969	Total Operating Expenses	\$80,238	\$2,118	\$500	\$82,856
970	Excess Operating Revenue over Operating Expenses	\$10,803	\$33,481	\$65,491	\$109,775
971	Extraordinary Maintenance	\$2,512	\$0	\$0	\$2,512
974	Depreciation Expense	\$19,228	\$707	\$733	\$20,668
900	Total Expenses	\$101,978	\$2,825	\$1,233	\$106,036
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$-10,937	\$32,774	\$64,758	\$86,595

PHA: LA052 FYED: 09/30/2001

Line Item No.	Account Description	Low Rent Public Housing	Public Housing_ Comprehensive Improvement Assistance Program	Public Housing Capital Fund Program	Total
1101	Capital Outlays Enterprise Fund	\$0	\$0	\$0	\$0
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$150,021	\$15,714	\$0	\$165,735
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$10,132	\$414	\$0	\$10,546
1112	Depreciation Add Back	\$19,228	\$707	\$0	\$19,935
1120	Unit Months Available	424	0	0	424
1121	Number of Unit Months Leased	422	0	0	422

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

SEPTEMBER 30, 2001

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

There were no Findings or Questioned Costs during the current audit period.

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE
Farmerville, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

<u>ANNUAL CONTRIBUTION CONTRACT</u>	<u>PROGRAM AND ASSISTANCE TYPE</u>	<u>CFDA NUMBER</u>	<u>BUDGET</u>	<u>EXPENDITURES</u>
FW-1218	<u>U. S. DEPARTMENT OF HUD</u> Low Income Public Housing	14.850	\$ 15,963	\$ 15,963
FW-1218	Comprehensive Improvement Assistance Program	14.852	79,691	35,599
FW-1218	Capital Fund Program	14.872	<u>81,912</u>	<u>65,991</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 177,566</u>	<u>\$ 117,553</u>

Notes to Schedule of Expenditures of Federal Awards:

The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting as described in Note A.

Jean Sicks

Certified Public Accountant

**870 Cinderella Court
Decatur, GA 30033-5812**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Housing Authority of the
City of Farmerville
P.O. Box 446
Farmerville, Louisiana 71241

HUD - New Orleans Office
Public Housing Division
Hale Boggs Federal Building
501 Magazine Street
New Orleans, Louisiana 70130-3099

I have audited the financial statements of the Housing Authority of the City of Farmerville, as of and for the year ended September 30, 2001 and have issued my report thereon dated December 7, 2001. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Farmerville's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under **Government Auditing Standards**.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Housing Authority of the City of Farmerville's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, Department of Housing and Urban Development, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountant

Decatur, Georgia
December 7, 2001